

# PERAC

COMMONWEALTH OF MASSACHUSETTS | PUBLIC EMPLOYEE RETIREMENT ADMINISTRATION COMMISSION

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## MEMORANDUM

TO: Clinton Retirement Board

FROM: John W. Parsons, Esq., Executive Director

RE: Approval of Funding Schedule

DATE: November 5, 2019

This Commission is hereby furnishing you with approval of the revised funding schedule you recently adopted (copy enclosed). The schedule assumes payments are made on average on October 1 of each fiscal year. The schedule is effective in FY20 (since the amount under the prior schedule was maintained in FY20) and is acceptable under Chapter 32.

The revised schedule reflects a reduction in the investment return assumption from 7.40% to 7.25% and a revision to the mortality assumption.

If you have any questions, please contact PERAC's Actuary, John Boorack, at (617) 666-4446, extension 935.

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Clinton Retirement System  
January 1, 2019 Actuarial Valuation

Total Appropriation Increasing 5.58% until FY34 with a final amortization payment in FY35

<u>Fiscal Year</u>	<u>Normal Cost</u>	<u>Net 3(8)(c)</u>	<u>Amort. of UAL</u>	<u>Amort. of 2003 ERI</u>	<u>Amort. of Pension Holiday</u>	<u>Total Cost</u>	<u>Unfunded Act. Liab.</u>	<u>Total Cost % Incr.</u>
2020	1,206,912	160,000	1,563,215	51,405	37,690	3,019,222	25,003,991	
2021	1,261,224	160,000	1,727,085		39,386	3,187,695	25,075,142	5.58%
2022	1,317,979	160,000	1,846,431		41,158	3,365,568	25,031,117	5.58%
2023	1,377,288	160,000	1,973,069		43,010	3,553,367	24,856,234	5.58%
2024	1,439,266	160,000	2,107,433		44,946	3,751,644	24,533,236	5.58%
2025	1,504,033	160,000	2,249,986		46,968	3,960,986	24,043,151	5.58%
2026	1,571,714	160,000	2,401,214		49,082	4,182,009	23,365,145	5.58%
2027	1,642,441	160,000	2,561,634		51,290	4,415,365	22,476,351	5.58%
2028	1,716,351	160,000	2,731,793		53,599	4,661,743	21,351,699	5.58%
2029	1,793,587	160,000	2,968,281			4,921,868	19,963,718	5.58%
2030	1,874,298	160,000	3,162,210			5,196,508	18,282,330	5.58%
2031	1,958,642	160,000	3,367,832			5,486,473	16,274,629	5.58%
2032	2,046,780	160,000	3,585,838			5,792,619	13,904,632	5.58%
2033	2,138,886	160,000	3,816,961			6,115,847	11,133,016	5.58%
2034	2,235,135	160,000	4,061,976			6,457,111	7,916,841	5.58%
2035	2,335,717	160,000	4,282,855			6,778,572	4,209,232	4.98%
2036	2,440,824	160,000				2,600,824	0	-61.63%

Appropriation payments assumed to be made on average on October 1 of each fiscal year  
Normal cost includes expenses of \$340,000 and is assumed to increase 4.5% each year.  
FY20 amount maintained at level of prior funding schedule